

Apton Properties, LLC

46509 Mission Boulevard
Fremont, California 94539
Tel: 510.249.0923
Fax: 510.226.1222

RA7

June 11, 2003

Mr. James Lindsay
City of Milpitas Planning Division
455 East Calaveras Boulevard
Milpitas, California 95035

Regarding: Apton Plaza Mixed Use Project - City Financial Assistance

Dear Mr. Lindsay:


Please let this letter serve as our intent to request and begin negotiations with the city of Milpitas financial assistance for the redevelopment of 230 North Main Street, also known as Apton Plaza. The city's assistance is anticipated to achieve our mutual goal of providing a high quality project for the Midtown area.

We have included in the design of Apton Plaza numerous amenities for this urban residence, including a 100% interior secured parking garage, upgraded exterior building finishes, lighting fixtures, and streetscape design in order to achieve a high level of quality. These enhancements to what will be the first project in the Midtown area come at a higher level of expense. We seek to bridge the gap between the project costs and the reduction in rental income due to the affordable units.

We are in the process of acquiring and compiling detailed cost estimates for each of the aspects described above, and will be including such estimates as part of the negotiation process.

Should you have any questions regarding this matter, please feel free to contact me directly.

Sincerely,
Apton Properties, LLC



FOR
Badru Valani

BV:jmc

cc: James McClelland, MDM Architects
Peter MacDonald, Esq.